



# Instructions for Form 1099-H

Section references are to the Internal Revenue Code.

## An Item To Note

In addition to these specific instructions, you should also use the **2004 General Instructions for Forms 1099, 1098, 5498, and W-2G**. Those general instructions include information about:

- Backup withholding
- Magnetic media and electronic reporting requirements
- Penalties
- Who must file (nominee/middleman)
- When and where to file
- Taxpayer identification numbers
- Statements to recipients
- Corrected and void returns
- Other general topics

You can get the general instructions from the IRS website at **www.irs.gov** or by calling 1-800-TAX-FORM (1-800-829-3676).

## Specific Instructions for Form 1099-H

File **Form 1099-H**, Health Coverage Tax Credit (HCTC) Advance Payments, with the IRS by February 28, 2005, if you received in the course of your trade or business any advance payments for any month of the calendar year of qualified health insurance payments on behalf of eligible recipients. An eligible recipient is an eligible trade adjustment assistance (TAA) recipient (under provisions of the Trade Act of 1974), an alternative TAA (under an alternative trade adjustment assistance program established by the Department of Labor), or Pension Benefit Guaranty Corporation (PBGC) pension recipient (under title IV of the Employee Retirement Income Security Act of 1974).

### Who Must File

Section 6050T requires that the providers of qualifying health care coverage (defined in section 35(e)) file information returns with the IRS reporting the advance

payments received from the Department of the Treasury on behalf of eligible individuals. Qualifying health care coverage may be paid for eligible TAAs, alternative TAAs, PBGC pension recipients, and their qualifying family members. For more on qualifying family members, see the **2004 Form 8885**, Health Coverage Tax Credit.

### Statements to Recipients

If you are required to file Form 1099-H, you must furnish a statement to the recipient. Provide a copy of Form 1099-H or an acceptable substitute statement to each recipient for whom you received any advance payments. Also, see part **H** in the **2004 General Instructions for Forms 1099, 1098, 5498, and W-2G**.

### Box 1. Amount of HCTC Advance Payments

Enter the total amount of advance payments of health insurance premiums received on behalf of the recipient for the period January 1, 2004, through December 31, 2004. The amount received cannot exceed 65% of the total health insurance premium for the individual.

### Box 2. No. of Months HCTC Advance Payments Received

Enter the number of months for which payments were received on behalf of the recipient. This number cannot be more than 12.

### Boxes 3-14. Amount of Advance Payment(s) Included in Box 1

Enter the amount of the advance payment received for each month in the applicable box. You may receive these payments prior to the month for which they are paid. Be sure to enter the amounts in the correct box. For example, if you receive an advance payment of \$1,000 for TAA "X" on December 12, 2004, for January 2005 medical insurance premium, then report the \$1,000 payment on Form 1099-H for January 2005, not December 2004.